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Client file



York Speculative Investment Fund of Canada Limited

JUL 2 1963

Financial Statements

AS AT 31ST DECEMBER 1962


Y.S.I.F.

York Speculative Investment Fund of Canada Limited

Head Office: 121 RICHMOND STREET WEST, TORONTO 1, CANADA

OFFICERS

SYDNEY ROSEN, *President*

WILLIAM DOYLE, *Secretary-Treasurer*

BERNARD DAVIS, *Vice-President*

DIRECTORS

WILLIAM DOYLE

DR. NATHAN HURWITZ

JAMES M. ANDERSON

DR. MARTIN ROSEN

IGOR KAPLAN

AUDITORS

JAMES M. DUNWOODY & COMPANY

Chartered Accountants

TRANSFER AGENT

GUARANTY TRUST COMPANY OF CANADA

366 Bay Street, Toronto, Ontario



York Speculative Investment Fund of Canada Limited

TORONTO ONTARIO

THE PRESIDENT REPORTS TO SHAREHOLDERS

The financial statements which constitute the body of this report describe the progress of our company through its last fiscal year, and reflect vigorous growth and progress. The loans described as investments in the balance sheet are for short terms, and we, therefore, continue to enjoy fluidity and flexibility.

Net income from investments amounted to $23,176.00 compared with $6,957.00 the year previous, while profit on the sale of investments amounted to $48,094.00 compared with $27,236.00 the year previous.

These achievements, totaling a profit increase in excess of 100%, resulted in the payment of two extra dividends in addition to our normal rate. Dividend disbursements through the period amounted to $37,460.00, which compares favourably with $8,280.00 paid through the preceding year.

Under these conditions, it is appropriate that I pay tribute to the excellent investment guidance which has been afforded us by Valutrend Management Services Limited. The results of their counsel and advice are evident in our progress, and have given direction to all our undertakings.

Steady cash flow, orderly growth and strict attention to shareholders' interests remain the abiding principles of your Board. It is our collective opinion that the company is well positioned to prosper from current investments, and we remain ever on the alert for new and profitable undertakings.

Shareholders may rest assured that the welfare and success of the company command the constant attention of the Board, and that it will remain my policy to report our progress from time to time as events warrant.

I have the honour to remain,

Yours very truly,
S. ROSEN
PRESIDENT

June 15, 1963

James M. Dunwoody & Company

CHARTERED ACCOUNTANTS

MONTREAL
CORNWALL
TRENTON
TORONTO
OAKVILLE
WELLAND
FORT WILLIAM
DRYDEN
FORT FRANCES
KENORA
WINNIPEG
VANCOUVER

Toronto, Ontario
6th June, 1963

To the Shareholders of
YORK SPECULATIVE INVESTMENT FUND OF CANADA LIMITED.

We have examined the Balance Sheet of YORK SPECULATIVE INVESTMENT FUND OF CANADA LIMITED as at 31st December 1962 and the Statements of Surplus, Unrealized Appreciation of Investments and Net Income from Investments for the year ended on that date and have received all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the Company, the accompanying Balance Sheet and Statements of Surplus, Unrealized Appreciation of Investments and Net Income from Investments are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December 1962 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The assets and liabilities and income and expenses of the Company's subsidiary, York Speculative Realty Investments Limited, have not been included in the financial statements. The profits earned by the subsidiary for the four months' period ended 31st December 1962 have not been taken into account in these financial statements.

JAMES M. DUNWOODY & COMPANY
CHARTERED ACCOUNTANTS

York Speculative Investme

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TORONTO

BALANCE SHEET AS A

(With comparative figures for

assets

	1962	1961
INVESTMENTS		
Securities, at market value (cost $171,624)	$173,027	$271,692
Term loans	622,916	330,297
	$795,943	$601,989
CURRENT		
Cash in bank	$ 2,969	$ 139
Receivable from brokers for investments sold	82,000	—
Accrued interest receivable	6,168	4,606
	$ 91,137	$ 4,745
INVESTMENT IN AND ADVANCE TO WHOLLY-OWNED SUBSIDIARY		
York Speculative Realty Investments Limited		
Shares — at cost	$ 300	
Advance	20,035	
	$ 20,335	
DEFERRED CHARGES AND OTHER ASSETS		
Commission paid on sale of shares	$ 34,000	$ 34,000
Share offering expense	9,932	9,932
Incorporation expense	4,142	4,142
	$ 48,074	$ 48,074

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS.

S. ROSEN, *Director*

WILLIAM DOYLE, *Director*

$955,489	$654,808

TORONTO, Ontario,
6th June 1963.

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ONTARIO

31ST DECEMBER, 1962

ar ended 31st December 1961)

liabilities

			1962	1961
CURRENT				
Bank (secured) — Loan			$ 23,000	$113,400
— Overdraft				3,002
Payable to brokers for investments purchased			33,449	39,785
Accounts payable and accrued charges			2,022	2,728
Dividends payable			12,403	4,140
Loans payable			220,000	25,000
Due to directors			5,000	
Deposits received on subscriptions:				
Preference shares				10,500
Common shares				2,262
Corporation income taxes			6,589	1,159
TOTAL CURRENT LIABILITIES			$302,463	$201,976
SHAREHOLDERS' EQUITY				
CAPITAL				
AUTHORIZED:				
500,000	Preference shares of no par value, entitled to a non-cumulative dividend at the rate of 2c per share per annum, aggregate consideration not to exceed	$1,000,000		
2,000,000	Common shares of $2.00 par value	4,000,000		
		$5,000,000		
ISSUED AND OUTSTANDING:				
50,000	Preference shares issued during year		$ 12,500	
207,000	Common shares as at 1st January		$414,000	$414,000
96,840	Common shares issued during year	$ 193,680		
	Less: Amount due thereon	38,736	154,944	
303,840			$568,944	$414,000
SURPLUS			$ 70,179	$ 36,372
UNREALIZED APPRECIATION OF INVESTMENTS			$ 1,403	$ 2,460
			$955,489	$654,808

This is the Balance Sheet referred to in our report of this date.

JAMES M. DUNWOODY & COMPANY
Chartered Accountants.

York Speculative Investment Fund of Canada Limited

TORONTO ONTARIO

STATEMENT OF SURPLUS FOR YEAR ENDED 31ST DECEMBER, 1962

(With comparative figures for year ended 31st December 1961)

	1962	1961
Balance 1st January	$ 36,372	($ 3,991)
Transfer of unrealized loss on securities for prior year to Statement of Unrealized Appreciation of Investments		14,450
Profit realized on sale of investments	48,094	27,236
Net income from investments	23,176	6,957
	$107,642	$44,652
Dividends declared — Preference	$ 1,000	$
— Common	36,460	8,280
	$ 37,460	$ 8,280
Adjustment of prior years' Corporation Income Taxes	3	
	$ 37,463	$ 8,280
Balance 31st December	$ 70,179	$36,372

STATEMENT OF UNREALIZED APPRECIATION OF INVESTMENTS FOR YEAR ENDED 31ST DECEMBER, 1962

(With comparative figures for year ended 31st December 1961)

	1962	1961
Balance 1st January	$ 2,460	($14,450)
Appreciation realized on sale of investments	1,935	
	$ 525	($14,450)
Appreciation for year	878	16,910
Balance 31st December	$ 1,403	$ 2,460

York Speculative Investment Fund of Canada Limited

TORONTO ONTARIO

STATEMENT OF NET INCOME FROM INVESTMENTS FOR YEAR ENDED 31ST DECEMBER, 1962

(With comparative figures for year ended 31st December 1961)

	1962	1961
INCOME		
Dividends	$ 1,500	$ 6,748
Bond Interest	2,530	3,957
Interest on Term Loans	66,615	15,362
Proceeds of Sale of Stock Subscription Rights		100
	$70,645	$26,167
EXPENSES		
Management Fees	$17,425	$ 7,373
Legal and Audit Fees	4,604	1,984
Transfer Agent's Fees	250	693
Custodian's Fees		351
General and Administrative	1,071	2,849
Office Salaries		260
Directors' Fees	250	250
Interest and Bank Charges	15,365	3,965
Business Taxes		55
Listing Fee – Canadian Stock Exchange	1,171	
Bad Debt Expense	600	
	$40,736	$17,780
INCOME FROM INVESTMENTS - before Provision for Corporation Income Taxes	$29,909	$ 8,387
CORPORATION INCOME TAXES	6,733	1,430
NET INCOME FROM INVESTMENTS (excluding profit realized on sale of investments)	$23,176	$ 6,957



York Speculative Investment Fund of Canada Limited

TORONTO ONTARIO

SCHEDULE OF SECURITIES AS AT 31ST DECEMBER, 1962

BONDS	PAR	MARKET
Township of Brantford Roman Catholic Separate School #9, 6% Debentures, due 15th October 1977-80	$16,000	$ 16,320
Brockville Chemical Limited, 6¾% First Mortgage Sinking Fund Bonds, Series A, due 15th January 1980	10,000	10,300
STOCKS	**NO. OF SHARES**	
Campbell Chibougamau Mines Ltd.	2,100	7,875
Imperial Life Assurance Co. of Canada	715	99,390
Inspiration Mining & Development Co. Ltd.	4,000	1,920
Keele Industries Limited	4,962	6,947
Shell Investments Warrants	5,000	29,500
N. S. R. Holdings Limited	25	25
Restaurants Consultants of Canada Limited	7,500	750
		$173,027


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York Speculative Investment Fund of Canada Limited

interim report 1962

SIX MONTHS ENDED JUNE 30

York Speculative Investment Fund of Canada Limited

Head Office: 121 RICHMOND STREET WEST, TORONTO 1, CANADA

OFFICERS

SYDNEY ROSEN, *President*

WILLIAM DOYLE, *Secretary-Treasurer*

BERNARD DAVIS, *Vice-President*

DIRECTORS

WILLIAM DOYLE

DR. NATHAN HURWITZ

JAMES M. ANDERSON

DR. MARTIN ROSEN

IGOR KAPLAN

AUDITORS

JAMES M. DUNWOODY & COMPANY

Chartered Accountants

COUNSEL

IGOR KAPLAN

TRANSFER AGENT

GUARANTY TRUST COMPANY OF CANADA

366 Bay Street, Toronto, Ontario

THE PRESIDENT'S REPORT TO SHAREHOLDERS

On May 18th, 1961, the Secretary of State, issued Supplementary Letters Patent relieving this company of certain investment restrictions contained in the original Charter. Prior to this relief the company had been extremely limited in its investment authority. It was the opinion of the Board that initial restrictions did not permit proper employment of the company's limited working capital, and accordingly, with shareholders support, these policies were broadened at the 1961 shareholders' meeting to include short term paper.

Profits and growth under the new policy has been most gratifying. Investment income has increased substantially, providing a steady cash flow, while profits realized on the sale of investments demonstrates management's prudent approach to the stock and bond markets. Reflecting this, an initial dividend of 2c per share was declared in September of 1961, followed by an identical payment in December 1961. These payments resulted in the establishment of a definite dividend policy with payments paid and projected on a quarterly basis.

Comparing the interim Balance Sheet as at 30th June 1962, which forms a part of this report, with our Balance Sheet as at 31st December 1961, shows that our assets have increased by $200,509.77 through the six-month period. Notwithstanding regular dividend payments our earned surplus rose from $36,371.93 to $47,301.11. Of particular significance is the unrealized appreciation of investments which shows an improvement through the half year during which equity values in general endured calamitous collapse. It is gratifying to report that our management group anticipated this event and liquidated our share portfolio accordingly. The performance in bonds was excellent as demonstrated.

When companies are permitted to participate in short term paper it usually follows that much of their business volume is conducted with borrowed money. These funds are normally secured from the public in the form of bonds, debentures or preference shares, or from private sources such as banks. The price paid for the use of the money varies from 5% to 7% while the charges imposed by the company to discount short term paper are substantially higher. To a considerable degree the volume of business enjoyed by such companies depends upon the company's ability to borrow. This is an area which now commands the attention of your board. It is their belief that a substantial increase in our short term paper can now be enjoyed without any important change in overhead. The potential profit, in their opinion, is most significant and the leverage which such borrowed funds would afford our day-to-day operations, must result in new stature for our fund in the financial community.

We take pride in the fact that our achievements to date largely reflect the proper appreciation of our own money. Having demonstrated our ability we now approach our full potential through the solicitation and use of borrowed funds, which must result in greater profit and growth for the company and its shareholders.

Yours most sincerely,

S. ROSEN, *President*

York Speculative Investm

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TORONTO

INTERIM BALANCE SHE

assets

INVESTMENTS		
Securities, at market value (cost $111,817.66)	$114,608.00	
Term loans	685,964.00	$800,572.00
CURRENT		
Cash in Bank	$ 1,419.42	
Accrued interest receivable	5,252.70	6,672.12
DEFERRED CHARGES AND OTHER ASSETS		
Commission paid on sale of shares	$ 34,000.00	
Share offering expense	9,932.25	
Incorporation expense	4,141.75	48,074.00
		$855,318.12

The above Interim Balance Sheet as at 30th June 1962 and Interim Statement Investments for six months ended that date have been prepared from the bo which they are in accord, but are subject to such adjustments as may be fo

TORONTO, Ontario
16th July 1962

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AS AT 30TH JUNE, 1962

liabilities

CURRENT

Bank (secured) — loan	$ 23,000.00
Payable to Brokers for investments purchased	4,464.39
Accounts Payable and Accrued Charges	2,296.63
Loans Payable	185,000.00
Dividends Payable	6,076.80
Corporation Income Taxes	2,944.85
	$223,782.67

SHAREHOLDERS' EQUITY

CAPITAL STOCK

ISSUED AND FULLY PAID

50,000	Preference Shares issued during period ended 30th June 1962 for cash		$ 12,500.00
207,000	Common Shares as at 1st January 1962	$414,000.00	
96,840	Common Shares issued during period ended 30th June 1962 for cash	$154,944.00	568,944.00
303,840			$581,444.00

EARNED SURPLUS, per Statement "B"	47,301.11	
UNREALIZED APPRECIATION OF INVESTMENTS, per Statement "C"	2,790.34	631,535.45
		$855,318.12

Earned Surplus, Unrealized Appreciation of Investments and Net Income from and records of York Speculative Investment Fund of Canada Limited with necessary on completion of the annual audit.

JAMES M. DUNWOODY & COMPANY
Chartered Accountants

York Speculative Investment Fund of Canada Limited

TORONTO ONTARIO

"B"

INTERIM STATEMENT OF EARNED SURPLUS FOR SIX MONTHS ENDED 30TH JUNE, 1962

Balance at credit, 1st January 1962		$36,371.93
Profit realized on sale of investments	$13,856.24	
Net income from investments per Statement "D"	9,476.54	23,332.78
		$59,704.71
Dividends declared		12,403.60
Balance at credit, 30th June 1962		$47,301.11

"C"

INTERIM STATEMENT OF UNREALIZED APPRECIATION OF INVESTMENTS FOR SIX MONTHS ENDED 30TH JUNE, 1962

Balance at credit, 1st January 1962	$ 2,460.00
Appreciation on Investments sold during period	1,935.00
	$ 525.00
Appreciation of Investments on hand	2,265.34
Balance at credit, 30th June 1962	$ 2,790.34

York Speculative Investment Fund of Canada Limited

TORONTO ONTARIO

"D"

INTERIM STATEMENT OF NET INCOME FROM INVESTMENTS FOR SIX MONTHS ENDED 30TH JUNE, 1962

INCOME		
Bond interest	$ 1,877.15	
Interest on term loans	30,582.13	$32,459.28
EXPENSES		
Management fees	$ 7,750.00	
Legal and audit fees	3,392.73	
General and administrative	444.87	
Directors' fees	250.00	
Interest and bank charges	7,312.49	
Listing fee – Canadian Stock Exchange	1,002.00	20,152.09
INCOME FROM INVESTMENTS – before provision for Corporation Income Taxes		$12,307.19
CORPORATION INCOME TAXES		2,830.65
NET INCOME FROM INVESTMENTS (excluding profit realized on sale of investments)		$ 9,476.54


V. S. I. F.